

A lot is going in DC right now and a lot has gone on since I sent you my first missive of the year yesterday. Here is a quick rundown of my thoughts on a few of the goings and comings.

Because of their singular obsession with government-run health care, the Democrats punted a bunch of issues on deadline to the end of February. However, this new deadline is fast approaching. Among the issues that should have been taken up last year yet still remain unresolved include: new permanent death tax exemptions and rates; a 21% cut in the rates doctors are paid by Medicare; a proposed increase in the national debt limit of \$1.6 trillion to cover the enormous deficits for one year; reauthorizations of the Department of Transportation and the FAA; and a host of other issues.

Tonight, the President apparently will call for a freeze in non-defense so-called discretionary spending. That is about 15% of the total federal budget. It also was increased by \$140 billion last year. So he is freezing spending after he increased it by 25% in one year. It's a little like the guy who robs your house and then returns your toaster-oven and expects you to be happy about it. Interestingly, Democrats on the Appropriations committee are already criticizing the President's freeze as "too tough." This says that at least some Congressional Democrats still do not understand how severe our fiscal problems are, and that they no longer feel compelled to support their President on all of his policies. The honeymoon ended rather quickly.